

## Message Text

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PAGE 01 PEKING 00192 201401Z  
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 SS-15 INR-07 /043 W  
-----079846 201406Z /50

R 200618Z JAN 78  
FM USLO PEKING  
TO SECSTATE WASHDC 9702  
INFO AMCONSUL HONG KONG  
AMEMBASSY TAIPEI  
AMEMBASSY TOKYO

C O N F I D E N T I A L PEKING 0192

STADIS////////////////////////////////

E.O. 11652: GDS  
TAGS: EFIN CH US

SUBJ: FIRST NATIONAL BANK OF CHICAGO VISIT TO PEKING

1. FIRST NATIONAL BANK OF CHICAGO (FNBC) DELEGATION,  
HEADED BY BOARD CHAIRMAN A. ROBERT ABBODD AND  
EXECUTIVE VP WILLIAM J. MCDONOUGH, IS CURRENTLY  
VISITING PEKING AT THE INVITATION OF BANK OF CHINA.  
ABBODD AND HIS PARTY CALLED ON AMBASSADOR JANUARY 19.

2. LAST FALL THIS BANK ANNOUNCED "A STRATEGIC DECISION"  
TO PROMOTE BUSINESS RELATIONS BETWEEN THE US AND  
THE PRC AND A BANK OFFICER WAS QUOTED AS STATING THAT  
THE BANK PROBABLY WON'T GIVE CREDIT FACILITIES IN  
TAIWAN AND IS CONSIDERING SELLING OFF ITS CURRENT LOAN  
PORTFOLIO (SEE 77 TAIPEI 6152) WHILE ABBODD DID  
NOT SPECIFICALLY MAKE THE LINKAGE, FNBC'S PUBLIC POSTURE  
ON TAIWAN APPEARS TO BE PAYING OFF IN BANK'S  
RELATIONS WITH PRC. BOC TOLD ABBODD FNBC WAS  
FIRST US BANK INVITED TO THE PRC BY BOC (OTHER US  
BANKERS HAVE APPARENTLY COME AT CHINA TRAVEL  
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SERVICE OR CPIFA INVITATION OR AS MEMBERS OF A DELEGATION).

ABBODD HAS BEEN GIVEN A BANQUET BY BANK OF  
CHINA HEAD CHIAO PEI-HSIN, HELD EXTENSIVE  
MEETINGS WITH OTHER BOC OFFICIALS, AND MET WITH  
WANG YAO-TING, CHAIRMAN OF THE CHINA COUNCIL FOR  
THE PROMOTION OF INTERNATIONAL TRADE.

3. MAJOR CONCRETE BUSINESS TO DEVELOP OUT OF THIS TRIP IS AN ARRANGEMENT WHEREBY FNBC WILL PROVIDE A GUARANTEE FOR REINSURANCE OF PRC RISKS WHICH ARE UNDERWRITTEN BY FOREIGN INSURANCE FIRMS -- IN THE CASE OF FNBC, MAINLY US FIRMS.

4. FNBC OFFICIALS DID NOT MENTION THE LARGE SYNDICATED BANK LOAN THAT THEY HAD RAISED WITH THE BOC ON A PREVIOUS TRIP (SEE 77 PEKING 1397). ON THE QUESTION OF PRC'S CURRENT CREDIT POLICIES, BOC OFFICIALS APPARENTLY TOOK THE SAME LINE THAT THEY HAVE WITH OTHER RECENT VISITORS, I.E., PRC HAS RECEIVED A NUMBER OF SUGGESTIONS FROM FOREIGN BANKERS AND IS CONSIDERING THE POSSIBILITY OF ARRANGING "DEFERRED PAYMENTS" FOR LONG PERIODS THAN PREVIOUSLY. AS A SIDELIGHT, MCDONOUGH NOTED THAT BOC OFFICIALS DID NOT FLINCH AT FNBC REPS' FREQUENT USE OF THE WORD "LOAN".

5. INFORMATION IN THIS MESSAGE IS COMMERCIALY SENSITIVE AND SHOULD NOT BE DISCUSSED OUTSIDE USG.  
WOODCOCK

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALS, BANKS, VISITS  
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**Copy:** SINGLE  
**Draft Date:** 20 jan 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** FIRST NATIONAL BANK OF CHICAGO VISIT TO PEKING  
**TAGS:** EFIN, CH, US  
**To:** STATE  
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